

# Corporate Venture Capital in China: A Field Study

Ravi Madhavan, Peiyuan Huang  
Katz Graduate School of Business

## Motivation

- Innovation in China is a topic of great interest to the policy, science and business communities
- While many aspects have been studied – including IP regimes, R&D investment, etc. – the financing of innovation is not well understood
- Representing corporate investment in startups, Corporate Venture Capital (CVC) is a key element of innovation financing today

## Project Description

- We will conduct a field study of the CVC ecosystem in China, interviewing key participants and observers about
  - Emergence – origins and growth drivers
  - Evolution – current state and trends
  - Institutional context – unique features

## Context

- CVC is a critical piece of the innovation puzzle, linking startup innovations to industrial scale
  - Crucial complement to independent venture capital
- Although relatively recent, Chinese CVC activity has accelerated



Our goal: understand how Chinese enterprises finance innovation by mapping the emergence and evolution of Corporate Venture Capital (CVC) in China



## Project Deliverables

- Field work reports, 2020
- Conference presentations
  - Strategic Management Society, 2021
  - Academy of Management, 2021
  - Academy of International Business, 2021
- Journal submission
  - Strategic Management Journal, late 2021

## Potential Impact

- Contributes to understanding a key driver of innovation in China: how it is financed
- Clarifies a mechanism that brings together the major players in the China innovation ecosystem
  - CVC in China uniquely links government, startups, state-owned enterprises and private companies
- Facilitates a comparison of China’s emerging CVC capabilities to that of the US
- Initiates consideration of political returns to CVC, a novel construct in the field of innovation strategy

## References and/or Acknowledgements

- Thanks to Pitt Momentum Funds program and the Katz School for financial support
- For background on impact of CVC in innovation, see Huang & Madhavan (2020), “Dumb money or smart money? Meta-analytically unpacking corporate venture capital”, working paper.